



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SERVICES
220 French Landing Drive
Nashville, TN 37243-1002
(615) 741-1031

Effective Date: November 18, 2016

**WORKFORCE SERVICES POLICY -Reallocation Methodology
TN-WIOA (16-16)**

Subject: Allocation of Workforce Innovation and Opportunity Act (WIOA) Formula funds

Purpose

This procedure describes the process of allocating WIOA funds to Local Workforce Development Areas.

Scope

Office of the Governor, Tennessee Department of Labor and Workforce Development (TDLWD), Tennessee Department of Economic and Community Development (TDECD), Tennessee Department of Education (TDOE), Tennessee Eligible Training Providers List (ETPL), Tennessee Department of Human Services (TDHS), Tennessee Department of State (TDS), Adult Education (AE), Rehabilitation Services (RS), Office of Registered Apprenticeship (RA), State Workforce Development Board (SWDB), Division of Workforce Services (WFS), Regional Council (RC), American Job Center (AJC), American Job Center Operator (AJC Operator), American Job Center Access Point (AJC Access Point), Workforce Innovation and Opportunity Act (WIOA), Local Workforce Development Boards (LWDBs), Local Workforce Development Areas (LWDAs), other Workforce System Subrecipients (Subrecipients), Workforce System Partners (Partners) Training and Employment Guidance Letter (TEGL).

References

WIOA Section 128(b); WIOA Section 133(a) and (b); Final Rules 683.120 and 125; TEGL 17-15

Background

WIOA requires the Governor of a State to distribute employment and training formula funds to Local Development Boards and Chief Elected Officials who have the responsibility for oversight and management of these funds.

Minimum Percentage (Hold Harmless)

The explanation and procedure below is to provide guidance and encouragement from the State Workforce Development Board to LWDBs ensuring that each area will receive an allocation percentage for a fiscal year that is no less than 90% of the average allocation percentage of the local area for the two preceding fiscal years.

Distribution of Formula Funds

The TDLWD receives funding for the three WIOA Programs (Youth, Adult, and Dislocated Workers) from the U.S. Department of Labor. The Secretary of Labor distributes these funds based on a set of factors for each of these funding streams. This methodology will continue to be used until the Secretary of Labor makes changes. The TDLWD uses the same methodology to distribute funds to Local Workforce Development Areas. The method of distribution is as follows:

Youth Allocation

Youth funds are distributed to LWDAs by means of three factors related to the local area:

- 33 1/3 percent of the funds shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment as compared to unemployed individuals of substantial unemployment in all the local areas in the State.
- 33 1/3 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individual in all the local areas in the State.
- 33 1/3 percent shall be allotted on the basis of the relative number of disadvantaged youth in each local area, compared to the total number of disadvantaged youth in all local areas in the State.

Adult Allocation

The adult allocation and methodology is the same as the youth allocation, except the formula uses economically disadvantaged adults instead of youth.

Dislocated Worker Allocation (DW)

In Tennessee, the DW within State allocation is based on five (5) factors, including factors deemed significant by the Governor. The distribution of the Dislocated Worker funds is based on a weighted percent assigned by TDLWD to each of these factors based on the impact to the local population. The five factors are:

- The number of unemployed, averaged for the 12-month period, October through September;
- The number of long-term unemployed, averaged for the 12-month period, October through September; and,
- The number of excess unemployed, averaged for the 12-month period,

October through September.

The two additional factors deemed significant by the Governor, and approved by the State Workforce Development Board are:

- The number of plant closures; and,
- The number of declining industries in the local area.

Within State Allocations

Under WIOA Section 128(b) of the amount allocation to a local area for a fiscal year not more than 10 percent may be used by the local board involved for the administrative costs of carrying out the local workforce investment activities. In accordance with WIOA Section 133(a) not more than 25 percent of the total DW funds allotted to the State shall be reserved for statewide rapid response activities.

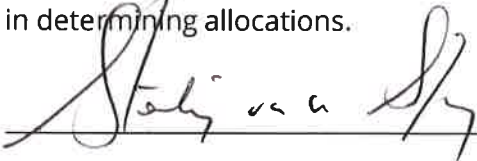
Instructions

Administrative entities choosing to distribute funds for budgeting purposed at the county level may contact TDLWD to receive the Labor Market Information Data for each of the required factors in their respective areas.

Contact: For questions regarding this policy contact Nicholas Bishop, Director of Compliance and Policy-[Division of Workforce Services](#), at (615) 741-0286 or Nicholas.Bishop@tn.gov

Effective Date: November 18, 2016

Duration: Policy will be updated on an annual basis to reflect the most recent TEGL used in determining allocations.

A handwritten signature in black ink, appearing to read "Sterling van der Spuy", is written over a horizontal line.

Sterling van der Spuy, Administrator